**Stock Market Notes**

**Buying Stock**

* **Corporations sell stock to raise \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Stock represents \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_in the corporation and is issued in portions called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Stock Holders**

* **Make or lose money through:**
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- a portion of a corporation’s profit, usually paid out quarterly**
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- money made when an investor sells stock for more than he/she paid for it**
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- money lost when an investor sells stock for less than he/she paid for it or when a company doesn’t make a profit, and can’t pay out dividends**
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- when each single share of stock splits into more than one share. This is done to encourage investors to buy the stock, and generally results in a rise in stock value afterwards.**

**Stock Trade**

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_-- link buyers and sellers of stock; usually work for a brokerage firm that specializes in trading stock.**
* **Stock is bought and sold on stock \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Most important in the US:**
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (NYSE)- the country’s largest and most powerful exchange; only for the largest and best-known companies (called *blue chip companies*)**
	+ **OTC Market- stock sold electronically**
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (National Association of Securities Dealers Automated Quotations)- the American market for over-the counter trades**
		- **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- buy and sell stock rapidly in hopes of trying to make a profit; very risky**

**Measuring the Stock Market**

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- when the stock market steadily rises over a period of time (1920s and 1980s)**
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- when stock market steadily falls over a period of time**
* **The picture of stock performance can be determined by looking at the Dow Jones Industrial- which represents about 30 large companies, or the S & P 500 (Standard and Poors)- which tracks price changes in 500 companies.**